

Math Test

- 1. What is the annual and monthly rent on an office space 70' x 40' at \$8.25 per square foot per year?**
- 2. A commercial building is 5,000 square feet and the rent is \$3,000/mo. What is the annual rent per square foot?**
- 3. The rent on a six-plex is \$600 per unit. What is the monthly effective gross income (EGI) if you have two vacancies?**
- 4. What is the prorated rent on an apartment if the rent is \$600 and the tenant moves in on the 20th? There are 30 days in the current month.**

5. Find the EGI, NOI and CASH FLOW for the property below:

(All figures are monthly)

50 units at \$400 each - **GPI**

10% vacancy / 5 Units - **EGI**

Maintenance costs	\$1,500
Utility costs	\$500
Management fee	6% - \$1,080
Debt service	\$8,860

Income:

Gross Possible Rental Income

Vacancy

Effective Gross Income

Expenses:

Maintenance

Utilities

Management Fee

Total Expense

Net Operating Income (NOI)

Debt Service

Cash Flow

6. What is the monthly EGI on a building with 100 apartments renting at \$400/unit? At present, there are 25 vacant units.

7. The tenant's security deposit is \$375. What security deposit should be returned to the tenant, if after the final inspection and move-out the following were due:

Extra day rent	\$17
Late fees	\$20
Door repair	\$25
Light bulbs	\$5
Normal wear	\$15

8. What is the prorated rent on an apartment if the rent is \$1200 and the tenant moves in on the 10th? There are 30 days in the current month.

9. What is the monthly rent on a building that measures 50' x 75'? The annual rent is \$18,400.

10. What is the vacancy rate of a single family home that is rented for 11 out of 12 months?

- 11. You are managing a 100 unit apartment complex and your cost of doing business to manage these units is \$15,000. What would your fee and markup have to be per unit to maintain a 20% profit?**
- 12. You are managing a four-plex and each unit rents for \$500/mo. The operating cost for the year is \$6,000. What is the distribution you will send the owner at the end of the month?**
- 13. You are managing a 50 unit apartment building. The current rent is \$450 per unit. There are no vacancies. The owner wants you to raise the rents 10%. After raising the rent, five tenants moved out. What is the difference in the monthly EGI after you raised the rents?**
- 14. You are managing 500 units and want to make 20% profit. Direct expenses are \$40,000 and indirect expenses are \$10,000. What fee per unit must you charge?**

15. The rent is \$350 on a 70 unit complex. There is no vacancy. The property manager increases all rents by 10%. After the increase, 10% of the units go vacant. What is the gross income before and after the rent increase? What is the increase/decrease in effective gross income after the increase?

16. What is the definition of Cash Flow?

- A) Net operating income minus property taxes and insurance only
- B) Gross potential income minus capital improvements and depreciation
- C) Gross potential income minus vacancies, plus other income, minus expenses and debt service
- D) Gross scheduled rent minus property management fees and reserves